

**SB 900 (Costa)**  
**Water Resources and Delta Restoration Act of 1996**  
(as amended January 25, 1996)

**PURPOSE OF BILL:**

SB 900 proposes to place on the November, 1996, statewide ballot, a general obligation bond measure, currently at an unspecified amount, but in the range of \$500 million. SB 900 is designed to provide a more reliable water system for the state, with emphasis on the water supply and environmental problems confronting the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

**SUMMARY:**

**SB 900 enacts the following Legislative findings:**

The state is expected to grow in population to nearly 49 million by the year 2020, an increase of nearly 19 million from 1990.

While water conservation and other measures to reduce demand on water supplies should be employed, those measures will not be sufficient to eliminate shortages expected by the year 2020.

A variety of measures, including water conservation, water transfers, water recycling, water development, and conjunctive use of surface and groundwater supplies will be necessary to meet the state's water supply needs.

Declares the importance of the Bay-Delta to the environment and the economy and as the single most important source of water for the people, farms, and businesses of the state, providing the water supply for more than two-thirds of all Californians.

That the state and federal government and stakeholder groups, through the adoption of a December 15, 1994, accord, have called for the development of a comprehensive, long-term solution for the environmental, water supply reliability, and water quality problems of the Bay-Delta and have initiated a program known as CAL-FED to develop a long-term solution.

That the success of the CAL-FED program is vital to the environmental and economic well-being of the state.

**SB 900 creates the Water Resources and Delta Restoration Fund, consisting of the following programs:**

**Delta Restoration Program and Account**

Appropriates an unspecified amount from the account to the Central Valley Project Improvement Program to pay the state share of the costs of carrying out fish and wildlife restoration measures set forth in the Central Valley Project Improvement Act (CVPIA).

The first CVPIA project to be undertaken is for construction of the Shasta Temperature Control Device, which will permit power generation at Shasta Dam while still meeting temperature requirements for fisheries in the Sacramento River downstream. The CVPIA requires a state contribution of 25% for the Shasta project, with the state share estimated to be about \$20 million.

Appropriates an unspecified amount from the account to the Bay-Delta Agreement Program ("Category III") to pay for nonflow-related projects called for in the December 15, 1994, accord. Requires the state, to the greatest extent possible, to secure federal matching funds to implement Category III projects.

Appropriates an unspecified amount from the account to the Delta Levee Rehabilitation Program to provide local assistance under the Delta levee maintenance subventions program and for special flood protection projects and subsidence studies and monitoring.

Appropriates an unspecified amount from the account to the South Delta Facilities Program to pay the non-project costs and mitigation features in the southern Delta.

#### **Clean Water and Water Recycling Program and Account**

Appropriates an unspecified amount from the account to the State Revolving Fund for loans to local agencies for construction of projects necessary to meet federal Clean Water Act requirements, including wastewater treatment, water reclamation, nonpoint source and estuary enhancement.

Every \$1 of state funds put into the State Revolving Fund will leverage \$5 in federal matching funds.

Appropriates an unspecified amount from the account to the Small Communities Grant Program for grants to communities with a population of 5,000 or less with a financial hardship to pay for wastewater treatment projects. The total amount of grants for any single project may not exceed \$3.5 million.

Appropriates an unspecified amount from the account to the Water Recycling Program for loans to public agencies for construction of eligible water recycling projects, defined as a water reclamation project that is cost-effective, as compared to the development of other sources of water.

Appropriates an unspecified amount from the account to the Drainage Management Program for loans to local agencies for construction of facilities for the treatment, storage, or disposal of agricultural drainage water which, if discharged untreated, would pollute or threaten to pollute waters of the state.

This program is identical to a program funded by the voters in 1986, through the passage of Proposition 44.

#### **Water Resources Program and Account**

Appropriates an unspecified amount to the Feasibility Projects Program for feasibility investigations for the following types of projects:

- Conjunctive use of groundwater and surface water supplies
- Off-stream storage upstream of the Delta
- Water recycling
- Watershed management

Appropriates an unspecified amount to the San Joaquin Valley Drainage Relief Program for the state to acquire lands and water rights for the purpose of retiring agricultural lands in the San Joaquin Valley that have characteristics of low productivity, poor drainability, and high levels of selenium in shallow groundwater.

This program was enacted in 1992 (SB 1669, Hill, Chapter 959); however, no funding has yet been provided for the program.

Appropriates an unspecified amount to the Water Conservation and Groundwater Recharge Program for low interest loans to local agencies for construction of water conservation projects and groundwater recharge facilities.

This program is identical to a program funded by the voters through the passage of Proposition 44 in 1986.

#### **Trigger mechanism**

Contains a "trigger" which provides that one-third of the total bonds and up to one-third of the bonds available in any fund, account, or subaccount would be issued or sold when each of the following occurs: 1) Approval of the bond act by the voters; 2) Certification of an EIR/EIS for implementation of projects that are part of a comprehensive Bay-Delta solution authorized by the CAL-FED program; 3) Securing of all applicable permits for projects authorized by the CAL-FED program.

#### **COMMENTS**

The markup of SB 900 is the culmination of four joint interim hearings of the Senate Committee on Agriculture & Water Resources and the Assembly Committee on Water, Parks and Wildlife held in the

fall of 1995, as well as efforts by the author to meet with interest groups around the state.

As a result of those meetings and hearings, a consensus emerged that the state should focus on the environmental and water reliability problems in the Bay-Delta, as well as looking to address the state's water supply needs to the year 2020. While most participants felt that the Bay-Delta should receive priority for funding in SB 900, many felt that other programs and projects relating directly or indirectly to the Bay-Delta also should receive funding in SB 900, such as upstream storage, conjunctive use, water quality, and water recycling.

The trigger mechanism contained in SB 900 is intended to create an incentive for the implementation of a long-term Delta solution developed through the CAL-FED process. SB 900 is intended to be the "general obligation" financing portion of a Delta solution, with alternative financing mechanisms to be developed once the CAL-FED process develops a narrowed list of alternatives in May of 1996.

The Governor's budget for FY 1996-97 proposes a total of \$540 million for the programs and projects contained in SB 900, with \$220 million for Bay-Delta, off-stream storage, and conjunctive use facilities, and \$320 million for water quality and water recycling projects.